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United States
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Office of
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Speeches and Major Press Releases

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Speeches

U.S. Department of Agriculture • Office of Governmental and Public Affairs

**Excerpts of remarks prepared for delivery by Secretary of Agriculture
Bob Bergland, before the National Broiler Council, Washington,
D.C., October 9, 1980**

Poultry processors can continue to use nitrite in processed poultry products without further approval by the Food and Drug Administration.

This means that there won't be any disruption in marketing poultry products containing nitrite, such as chicken frankfurters.

As you know, we needed to document the fact that USDA or the FDA had approved the use of nitrite in poultry products before the Food Additive Amendments of 1958. And we've done so. We've reviewed the evidence submitted by the industry. Carol Foreman, USDA's assistant secretary for food and consumer services, has concluded that such a "prior sanction" does exist.

The position of assistant secretary for food and consumer services and the establishment of the Food Safety and Quality Service have done something important for the poultry industry: they've helped it boost productivity.

In 1977, this administration pulled together under FSQS the department's food safety and quality regulatory activities. The result has been the most forward-thinking, innovative government attention to the issues, problems and potential of the poultry industry in almost a decade.

We've modernized the meat and poultry inspection programs, for example, by taking advantage of present technology.

Take the new modified traditional inspection system, under which fewer inspectors inspect more birds. This is proving a notable success on all counts: it's helping us control government costs and giving poultry firms a significant boost in productivity because lines move

faster. The increase in productivity is running at about 15 percent now in many plants, and the government is saving \$2 to \$3 million a year.

Now we're looking to still further ways to improve productivity.

Soon we'll begin a second round of tests on sequenced "hands-off" inspection. We'll start the tests, which will involve a mechanical bird opener, at 70 birds per minute. If the tests are successful, we'll move to even higher linespeeds.

We're also studying the possibility of testing a few birds from a flock before slaughter to determine disease conditions of the entire flock. Birds from healthy flocks would require less stringent inspection after slaughter. "Flock testing" could be a time-saving supplement to poultry inspection. The concept of flock testing is made feasible by two developments of recent years: the decline in the incidence of disease in poultry, and the shift in the structure of the industry to large, vertically-integrated poultry concerns. These trends may make it possible to use flock testing to predict likely disease conditions. This would simplify inspection.

We've recently concluded a voluntary quality control pilot program for inspecting processed products. We were pleased with the results of pilot projects in 15 plants around the country and are opening the program to the industry.

We're moving into quality control under the basic assumption that plant management and employees understand their own problems and capabilities better than we do.

In the long run, plants running their own quality control programs can reduce their inspection-related costs. Plant management, for example, will be in a better position to reduce costs of non-compliance and minimize the inefficiencies that come about when production needs and inspection standards are at cross purposes. Quality control personnel will be able to make immediate corrections when they spot a problem. This will reduce plant shutdowns, control overtime, and

reduce the opportunities for lost product.

We will insist that certain standards are met, but we recognize that there can be many different ways to accomplish the same objectives: boost the productivity of our inspection system and improve consumer protection.

Growing exports are one of the great success stories of the domestic broiler industry.

U.S. broiler exports in 1979 were up about 25 percent over 1978.

Between January and August 1980, U.S. exports of broilers and parts were up 48 percent over the same period last year. This represents a value increase of \$59 million.

USDA estimates the total value of exports of whole broilers and parts this year at one-quarter of a billion dollars, a milestone in broiler exports. Exports in 1979 were \$194 million.

We attribute much of this success to the USDA cooperators market development program with the Poultry and Egg Institute of America. Expenditures under the program this year are approaching \$1 million.

Because the export of poultry products is of such growing importance to the domestic broiler industry, USDA is working to assure that domestic producers don't suffer unfairly from artificial trade barriers.

FSQS has twice sent teams to the United Kingdom and Germany to discuss import restrictions that we are convinced are not necessary to produce a wholesome product. We believe that the U.K. restriction constitutes a non-tariff trade barrier that may substantially reduce the volume of poultry we export to that country.

Changing requirements of foreign countries mean that domestic processors must adapt to meet the new requirements. This can mean delays in certification and a slowdown in U.S. agricultural exports at a time when those export sales are important to the national economic health.

The major problem is veterinary controls on the international trade of meat, poultry and livestock.

Over the past two decades, we have frequently set an import standard difficult to achieve by other countries. That situation may now be reversing. This doesn't mean that U.S. products are substandard, but that our disease control and inspection procedures differ from those of the European Economic Community.

USDA is taking several steps to improve the export picture. One of these is to name an export coordinator to help domestic producers meet inspection requirements on products intended for export and to reconcile differences with foreign officials.

FSQS is concerned with maintaining a strong domestic market for poultry, as evidenced by our purchases for the school lunch and other food assistance programs. Each year USDA buys and distributes about 20 percent of the foods used in the nation's school lunch programs.

Last year, FSQS spent over \$155 million in turkey and chicken purchases.

The fact that we can use food purchase funds to help protect the industry from sudden events that adversely affect the market was demonstrated earlier this year. Two weeks after President Carter suspended agricultural trade with the Soviet Union, we removed surplus supplies of young chickens destined for the USSR. We later bought nearly \$5.5 million worth of chickens and donated them to hospitals, nursing homes, and other institutions.

We plan another strong purchase program in 1981. Totals will be near those of last year.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

FARM POPULATION CONTINUES TO FALL; NOW LESS THAN 3 PERCENT OF U.S. TOTAL

WASHINGTON, Oct. 3--The U.S. farm population numbered 6.2 million in 1979, about 2.8 percent of the total U.S. population, according to a report released today by the U.S. Departments of Agriculture and Commerce.

The number of farm residents was calculated to be down about 4 percent (260,000) from the 1978 figure, according to estimates produced jointly by USDA's Economics and Statistics Service and Commerce's Bureau of the Census. "However," said USDA demographer Vera Banks, "such a decline may represent a slight variation in the sample rather than a real decline in the total farm population."

Banks said the farm population has proportionally fewer women, more whites, more husband-wife families and a higher fertility level than the nonfarm population. In addition, she said, the farm population has a higher average age and a lower average income.

The number of farm residents declined more slowly in the seventies than in earlier decades. Between 1970 and 1979, the farm population lost an average of 2.8 percent of its residents per year, much less than the 4.8 percent average annual rate of loss between 1960 and 1970.

Single free copies of the report are available by writing to Vera Banks, room 550, GHI Bldg., ESS/USDA, Washington, D.C., 20250. Or phone (202) 447-8201.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA PROPOSES INCENTIVES TO REDUCE FOOD STAMP ERRORS

WASHINGTON, Oct. 3--States would be given financial incentives to reduce food stamp errors under a system of penalties and rewards proposed today by the U.S. Department of Agriculture.

The proposal would hold states liable for a portion of food stamps they issue in error, if the states' errors exceed a national average for all states, according to Assistant Secretary of Agriculture Carol Tucker Foreman. "Penalties may be assessed for issuing food stamps to ineligible households and over or under paying eligible households."

At the same time, the proposed rule would reward states that keep food stamp errors to a minimum by increasing the federal share of state administrative costs, she said. Currently the federal government pays the full cost of food stamp benefits and half the costs states incur as administrators of the program.

The new rule would entitle states with error rates below the national average to receive 60 or 65 percent federal matching funds for administrative expenses, depending upon how low their error rates are, she said. States that reduce error rates by 25 percent even though they fail to go below the national average, would qualify for a 55 percent match for administrative costs.

"This proposal would implement amendments to the Food Stamp Act proposed by the administration and enacted by Congress last May," Foreman said. "It's a tough system because it will measure each state's performance against that of other states. But it also gives states a fair chance to avoid penalties by showing steady improvement."

Once implemented, the regulations could result in states being penalized as early as next summer. Rewards for low error rates would be paid before then according to a schedule established by Congress.

Under the proposed rule, the period from Oct. 1, 1979, through March 31, 1980, would be used as a base period for calculating a national average error rate. USDA is now collecting data on error rates for that period and the data will be averaged out and "weighted" to account for differences in the size of food stamp caseloads from state to

state, Foreman said.

While the national average error rate is being calculated, the states are collecting information about errors in food stamp payments for a new measurement period which began Oct. 1 and will end March 31, she said. This new data will be compared to the national average error rate for the base period.

"States with payment errors greater than the national standard would be expected, under the proposed regulation, to reduce their error rate either to the national average or by a substantial percentage during each succeeding measurement period," Foreman said.

"We expect the national average error rate to be forced down each year," she said, "because states will be working to reduce errors to avoid penalties or receive increased funding. Congress envisioned that this carrot and stick approach would save dollars now being lost by states through payments to ineligible households and overpayments and that it would help to assure the public that correct food stamp benefits are going to eligible households."

The proposed regulations will be published in today's Federal Register.

Comments should be submitted to Alberta Frost, deputy administrator for family nutrition programs, Food and Nutrition Service, USDA, Washington, D.C., 20250. Phone: (202) 447-8982.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA ALLOWS GUATEMALAN MEAT SHIPMENTS TO ENTER U.S.

WASHINGTON, Oct. 3--The U.S. Department of Agriculture has again added Guatemala to the list of countries certified to ship meat products to the United States, according to Assistant Secretary of Agriculture Carol Tucker Foreman.

In February, March, and April this year, USDA removed three Guatemalan plants from its list of approved exporters after U.S. inspectors found shipments with excessive levels of pesticides at a port-of-entry, Foreman said.

"Last July, inspectors of USDA's Food Safety and Quality Service found evidence that meat from one of the three plants removed from the list may have been mixed with the shipments coming to the U.S. from two certified Guatemalan plants," she said. "The remaining two certified plants were then removed from the list of approved exporters pending investigations."

According to Foreman, the Guatemalan government cooperated fully with USDA during the investigations. Additionally, she said, that country has taken a number of steps to correct administrative and technical deficiencies in their inspection program.

"Guatemala has put beef export reduction under control of the government's Import and Export Trade Directorate and has strengthened its residue inspection and control program," Foreman said. "FSQS will now reapprove the two Guatemalan plants which were not involved with the illegal shipments."

The agency, however, will hold all shipments from the two Guatemalan plants at U.S. ports-of-entry until laboratory test results show their product meets U.S. standards, she said.

"FSQS' intensified hold-and-test restrictions and increased onsite inspection in Guatemala will continue until that country establishes a good history of compliance with our laws," she said.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA ECONOMIC, STATISTICAL TEAM TO VISIT CHINA OCT. 7-25

WASHINGTON, Oct. 3--A 13-member team of U.S. economists and statisticians will study Chinese agricultural economic planning, methods used to measure crop and livestock production and the types of statistical reports compiled by Chinese agricultural economists during a three-week visit to China, Secretary of Agriculture Bob Bergland said today.

Bergland said Howard Hjort, USDA's director of economics, policy analysis and budget, will head the team. The visit will last from Oct. 7 through Oct. 25, and the team will meet with representatives of the Chinese state agricultural commission, ministry of agriculture and forestry, ministry of commerce, the state statistical bureau, ministry of commerce and others, he said.

Bergland said the visit marked the third category of exchange of agricultural personnel between the countries. "In November 1978, during our first trip to China, we proposed exchanges of scientists, trade groups and economists. We have seen the successes of the first two group exchanges and look forward to similar successes for the economists," Bergland said.

He said to date, relatively little is known about Chinese agriculture, its structure and organization, its current and potential production and capabilities, and the process used to guide its policy makers in their decisions. "With an understanding of these three vital facets of Chinese agriculture, we may better assess the future prospects for Chinese agriculture and its role in world production, consumption and trade," Bergland said.

Non-USDA members of the team include Wayne Schutjer, Pennsylvania State University and George Eads, President's Council of Economic Advisors.

USDA members, aside from Hjort, are: William Kibler, J.B. Penn, Richard Cannon, Elmer Klumpp, James Donald, Don Bay, Charles Liu, Marshall Dantzler, John Nuttal and Francis Tuan.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

EXOTIC NEWCASTLE DISEASE FOUND IN THREE ADDITIONAL STATES

WASHINGTON, Oct.3--Oregon, Nebraska and Georgia have been added to the list of states where exotic Newcastle disease has been found in cage birds, a U.S. Department of Agriculture veterinarian said today.

Jerry Mason, who is directing eradication efforts for the USDA's Animal and Plant Health Inspection Service, said the virus disease of poultry and other birds has now been diagnosed in 17 states. The other 14 states are Arizona, Arkansas, California, Delaware, Florida, Hawaii, Illinois, Maine, Michigan, Minnesota, Missouri, Ohio, Texas and Vermont.

"We've had about 425 federal and state veterinarians and other animal health technicians working out of five regional task forces to eradicate this outbreak," Mason said. "So far, we've humanely destroyed approximately 20,775 infected or exposed birds at 434 locations to eliminate the disease agent. Owners will be paid over \$886,000 to compensate for these losses," he said.

To date, Exotic Newcastle disease has been diagnosed in 48 premises. Each of these was placed under federal quarantine to make sure they are kept free of birds until there is no more danger of the virus remaining on the premises.

"Some premises, constructed with impervious surfaces that were easily cleaned and disinfected, have already been released from quarantine," Mason said;

"However," Mason said "there are still several hundred samples from all over the United States being tested at the National Veterinary Services Laboratories at Ames, Iowa. Until we get the results of these tests, we won't know for sure how much further the disease has spread.

"There has been no spread into commercial poultry," Mason said. "With the bulk of tracebacks on bird sales completed, we feel more assured that this outbreak has been stopped before it could damage our egg and poultry supply."

Exotic Newcastle disease does not affect people who eat eggs and poultry, but the disease can cause tremendous losses even in vaccinated chickens and turkeys, and the cost of these losses which would be passed along to consumers in the form of higher prices, Mason said.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

TUSKEGEE INSTITUTE TO STUDY NEW POULTRY INSPECTION PROCEDURE

WASHINGTON, Oct. 7--The veterinary school at Tuskegee Institute, Tuskegee, Ala., will conduct a \$295,200 study of flock testing to increase efficiency in the U.S. Department of Agriculture's poultry inspection program, according to Assistant Secretary of Agriculture Carol Tucker Foreman.

The awarding of the contract to Tuskegee is in line with the Carter administration's program to recognize outstanding minority institutions in awarding government contracts, Foreman said.

In a flock testing program, inspectors would review information on flocks before slaughter to determine disease conditions, and birds from healthy flocks would require less stringent inspection after slaughter.

"The study will help us determine if flock testing is a practical and accurate method of determining if birds suffer disease conditions likely to result in condemnation after slaughter," Foreman said. "We need to know if flock testing will improve the inspection program without reducing consumer protection."

In the broiler industry, a single flock of birds may be raised under highly controlled conditions and be relatively homogeneous, Foreman said, and some scientists believe it possible to predict the health status of the entire flock at slaughter.

Foreman said USDA has been developing more efficient methods of inspection, and that one major new poultry inspection method-- modified traditional-- has already been implemented for inspecting young broilers.

The flock testing study is expected to be completed in about one year.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA COTTON MARKETING MODERNIZATION PROGRAM ON SCHEDULE

WASHINGTON, Oct. 8--The first installation phase of an electronic system for recording cotton quality data in U.S. Department of Agriculture cotton marketing services offices is complete and the equipment is operational in nine locations, according to Assistant Secretary of Agriculture P.R. Smith.

Smith said quality data on about 5 percent of the 11.7 million bales of cotton to be marketed in 1980 will be recorded on the modern system. The offices equipped this year include Corpus Christi, Harlingen, Dallas, Austin and Abilene, Texas; Bakersfield and Fresno, Calif., and Phoenix, Ariz. The Lubbock, Texas, office was previously equipped.

Smith said the new system speeds up marketing by as much as two days and saves the industry 7 to 10 cents per bale--time and money spent when cotton firms manually punch the classification data into their own automated systems. The cotton industry has urged use of electronic recording in all classing facilities, he said.

Traditionally, cotton classers with USDA's Agricultural Marketing Service work as a team with a recorder. The classer calls out grades and staples to the recorder who records the information on farmers' classification cards and office records.

Under the electronic system, each classer works alone, entering the information at a small computerized terminal. These data, vital to the marketing of cotton, are reproduced on cards that can be read by machine as well as by eye.

Offices scheduled to get electronic recording in the fall of 1981 include Greenwood, Miss.; Altus, Okla.; Little Rock, Ark.; Winnsboro, La.; El Centro, Calif.; Memphis, Tenn., and El Paso, Texas. These offices account for about 30 percent of the U.S. cotton crop.

The new services will be installed by the fall of 1982 in all remaining offices, Smith said.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

BERGLAND ANNOUNCES \$10 MILLION IN LOANS TO HELP FINANCE HYDROELECTRIC

PLANTS WASHINGTON, Oct. 9--Secretary of Agriculture Bob Bergland today announced \$10 million in loans to finance feasibility studies and construction of 36 small-scale hydroelectric generating plants in 15 states and two electric generating facilities using wood chips and peat for fuel.

Bergland, at a White House briefing on rural energy initiatives for rural electric and community leaders, said that the department was able to move forward on these rural projects because of expedited processing, liberalized rulemaking and simplified procedures, "to demonstrate that our commitment to energy self-sufficiency is being translated into action."

"Financing by the Department of Agriculture will make possible the production of 700 megawatts of electricity, an amount equivalent to the production of an average-sized, coal-fueled plant, and these plants will be built and in operation twice as fast as a coal-fired plant," Bergland said.

"These projects are just the beginning of the resurgence of hydro power," Bergland said, citing the goal of President Carter's Small Community and Rural Development Policy to have 100 hydro projects under way in the next year and 200 more by 1983.

Department of Agriculture financing will be by two of its agencies--the Rural Electrification Administration and the Farmers Home Administration. REA will finance \$4.4 million in feasibility studies for the 31 projects in Alaska, Alabama, Arkansas, Florida, Idaho, Louisiana, North Carolina, Oregon, Pennsylvania, South Carolina, Washington and Vermont. REA will also finance generation projects: one in North Carolina to burn waste wood chips and in Florida to burn peat for boiler fuel.

FmHA has now approved \$5.5 million in financing for seven hydroelectric additions and reactivations and an engineering study at small dam sites in New York, Vermont, New Hampshire and Maine.

Bergland said that another group of loan applications for hydroelectric facilities producing 1,200 megawatts are nearing approval. With 49,000 small hydro dams existing throughout the U.S., a substantial number will pass feasibility tests and can be either reactivated to produce power through falling water or by installing new or additional turbine-generators.

Bergland announced that FmHA will have a similar liberalized policy for renewable energy projects, since the U.S. Comptroller General ruled that REA's policy of five percent loans would be permitted. "This is a small, but very important part of our total national effort to reduce dependence on imported oil, slow inflation, create more jobs, while will continue to conserve energy wherever we can," Bergland told rural leaders.

Also participating in today's briefing were Secretary of Energy Charles Duncan, Secretary of Interior Cecil Andrus, Presidential advisor Alfred E. Kahn, and Charles Curtis, chairman of the Federal Energy Regulatory Commission.

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